



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF NATURAL RESOURCES  
LANSING



KEITH CREAGH  
DIRECTOR

August 18, 2014

To: Keith Creagh, Director

Information: Natural Resources Commission

Transaction: Proposed October 29, 2014, Oil and Gas Lease Auction

Authority: Part 5, of the Natural Resources and Environmental Protection Act, 1994 PA 451

Auction Method: Oral Auction

Acres Offered: Approximately 163,300 acres

Counties Offered: Arenac, Clare, Crawford, Gladwin, Grand Traverse, Ingham, Isabella, Kalkaska, Manistee, Midland, Missaukee, Oceana, Osceola, Presque Isle, and Roscommon

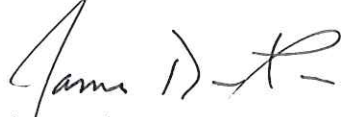
Lease Terms: Five-year primary term with two one-year extension options, 1/6 royalty rate, minimum bid of \$10.00 per acre, and \$2.00 per acre annual rental for the primary term.

Special Restrictions: Certain parcels proposed to be offered for lease may contain restrictions limiting surface activities where environmental concerns exist. All oil and gas development activities proposed on state-owned surface require separate surface use agreements.


Notice: Potentially affected private surface owners have been notified of the proposed auction. Township supervisors, county commissioners, and other interested parties will receive notification when the auction catalog is available online. Notice of the proposed auction also appeared in the county newspapers representing the areas where the lands are located. This item will appear on the September 2, 2014, DNR Business Calendar, and is eligible for approval September 11, 2014.

Recommendation: The mineral rights in all the lands being considered should be offered for inclusion in the proposed auction, under the terms and conditions specified.

  
William O'Neill, Chief  
Forest Resources Division

  
James L. Dexter, Chief  
Fisheries Division

  
William E. Moritz, Ph.D.  
Natural Resources Deputy

  
Russ Mason, Ph.D., Chief  
Wildlife Division

  
Mary Uptigrove, Manager  
Minerals Management

I approve the staff recommendation.

Keith Creagh  
Director

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Approval Date